



# How We Calculate Our Pre-Litigation Recovery Fee

## Darcey Quigley & Co – Pre-Litigation Charges

We calculate the DQ fee (Reasonable Costs) based on the age of the oldest invoice, this figure is always added to the legal notices issued to the debtor (using Reasonable Costs under European Communities (Late Payment in Commercial Transactions) Regulations 2012). We will also apply Interest & Compensation. There is no Guarantee that these costs will be paid by your debtor during debt recovery where the principal sum has been settled, however the agreed DQ fee will apply in any case. In these circumstances we will communicate this directly to you keeping you fully informed of the outcome and the debtor's position.

## European Communities (Late Payment in Commercial Transactions) Regulations 2012

This has two purposes, firstly, to compensate creditors for the late payment of debts. Secondly, to deter debtors from late payment. It only applies to the commercial supply of goods and services where you don't have a provision for interest in your Terms of Business (T&C's).

In brief, for invoices that are not paid on time, it enables you to claim interest, compensation and (for orders placed after 16 March 2013) your reasonable costs of collecting the debt where these exceed the compensation. Interest can be claimed at a minimum of 8% above the European Central Bank base rate together with compensation at the rate of €40 - €100 (see table below)

Clients can claim compensation for invoices that were not paid within the credit period. You can claim compensation even if the invoice has now been paid. Remember, you have up to 6 years to claim the compensation! The amount of compensation you can claim is:-

## Invoice Amount Compensation Table

Invoice Amount	Compensation
From €0 to €999	€40
From €1,000 - €9,999	€70
Over €10,000	€100

You can find a useful guide to the Late Payment Act as originally implemented here and useful guides to the updated act on the "Gov.uk site" or on our website.

[Late Payment Legislation EU](#)

[Darcey Quigley Whitepaper on Late Payers](#)

## Reasonable Costs

You can claim compensation whatever your collection costs are. However, if the reasonable costs of recovering the debt come to more than the compensation, you can claim this as well. This can include the cost to your business of your credit control procedures as well as any costs you may incur from instructing Debt Collection Agencies or lawyers.

## Who Are Darcey Quigley?

Darcey Quigley & Co are the UK's Pre Litigation Commercial Debt Recovery Company who work alongside business credit control departments around the world. Since 2007, we have successfully recovered hundreds of millions of pounds of overdue accounts for clients across a wide range of industries and sizes.